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Dry Bones



Knesset Committee's visit to Orient House causes furor

BILL HUTMAN

KNESSET Interior Committee Chairman Sallah Tarif sparked a political uproar yesterday, when he led three fellow committee members and an Interior Ministry official to Orient House, the PLO headquarters in Jerusalem.

Jerusalem Mayor Ehud Olmert declined an invitation to attend the meeting with Faisal Hussein, the senior PLO official in the city. Olmert for some time has refused to meet with Hussein at Orient House, saying this would legitimize the PLO headquarters.

However, Matityahu Huta, the Interior Ministry official responsible for the Jerusalem area, accepted Tarif's invitation. "I came to hear about the problems of eastern Jerusalem residents," Huta said. "I promised that I would look into the problems and get back to him."

MKs Micha Goldman (Labor), Rafi Elul (Labor), and Tawfik Khatib (United Arab List) also attended, as did Jawal Bolous, a well-known Jerusalem lawyer, and several Orient House officials.

The committee members also visited the office of Palestinian Council member Hattem Abdel Khader, at his home in the Beit Hanina neighborhood.

Tarif said the visits were necessary to examine the needs of Jerusalem Arabs.

Committee members Benny Elon (Molodet), Avraham Stern (National Religious Party), and Ze'ev Boim (Likud), committee members, refused to enter the Orient House grounds without a police guard, and were infuriated by police refusal to accompany them.

"We call on representatives from all over the world not to visit Orient House, and then look what we ourselves do," Stern said. "If there are issues to be raised by eastern Jerusalem residents, then the place to do it is in City Hall and the Interior Ministry."

Committee member David Re'em (Likud) demanded that Tarif be removed as committee chairman.

Elon demanded Jerusalem police chief Cmdr. Arye Amit, who came to the scene, provide him with protection inside Orient House.

"You know and I know that the Orient House is extrajurisdictional, that you aren't allowed inside here," Elon called out to Amit. "You can go inside if you want, there's no danger," Amit responded, and then added, "Don't try to drag me into a political argument."

Tarif, at a press conference at the end of the meeting, said, "Those people that stood at the gate are trying to ignore reality... [Prime Minister Binyamin] Netanyahu has already shaken hands with [PA Chairman Yasser] Arafat."

Tarif denied the committee's visit could taken by foreign diplomats as a green light to come to Orient House.



Speaking to the media outside Orient House yesterday are (from left) Knesset Interior Committee chairman Sallah Tarif, Faisal Hussein and MK Rafi Elul.

There is no parallel," Tarif said. "They are representatives of foreign countries... It is our job to carry out such meetings."

Among the issues raised were complaints from Arabs that they are being prevented from building, problems with schools, and the Interior Ministry's policy of revoking the identity cards of Arab residents who move abroad.

Participants said "diplomatic issues were not discussed, except for a brief statement made by Hussein at the start of the meeting, denying reports that the PA had not really closed down its offices operating in Jerusalem."

Attorney-general to indict Olmert

EVELYN GORDON

ATTORNEY-GENERAL Michael Ben-Yair is going ahead with plans to indict Jerusalem Mayor Ehud Olmert, after Olmert's lawyer failed to convince him at a hearing last week that an indictment would be pointless.

The draft indictment charges Olmert with aggravated fraud, falsifying corporate documents, two violations of the tax code, and violating the Party Funding Law by making a false declaration to the state comptroller. All of the charges relate to the Likud's 1988 election campaign, during which Olmert served as party treasurer.

According to the draft indictment, Olmert told Yona Peled - one of the heads of a non-profit organization doing food-raising for the party - to solicit money from businesses, and in exchange give them fictitious receipts indicating that the money was spent on advertising. Peled did so, and the Likud thereby raised NIS 913,707.

This scheme violated the law in two ways. First, campaign contributions from businesses are illegal. Second, the fictitious receipts enabled the companies to take tax deductions for the donations as if they were legitimate business expenses.

Olmert also omitted this sum from the report he later filed with State Comptroller Miriam Ben-Porat, thereby deceiving her into giving the party a clean bill of health for its finances. This enabled the Likud to receive the remainder of its campaign funding - NIS 2.148 million - from the government.

Peled and eight others involved in the affair, including Olmert's co-treasurer, Menahem Altmann, were indicted in 1991. Olmert was not indicted at that time, Ben-Yair said, because most of the evidence against him came from the testimony of the other defendants, and the Supreme Court has ruled that defendants cannot testify against someone accused in the same crime while their trial is still in progress. He could have been indicted once

the court had finished hearing the evidence, but at that point Ben-Yair decided it made more sense to wait for the verdict, since if the others were acquitted, an indictment of Olmert would be pointless.

The Tel Aviv District Court finally issued its guilty verdict this March, and three months later, Ben-Yair decided to indict Olmert. However, he agreed to give the mayor a hearing first, and this hearing took place only last week.

According to Ben-Yair, the main argument raised by Olmert's lawyer, Yigal Arnon, at the hearing was that most of the witnesses against Olmert were unreliable, based on the statements made about them by both the prosecution and the district court during their stint as defendants on the same charges. However, the attorney-general said all these negative statements related to the defendants' attempts to minimize their own parts in the affair, and did not affect the reliability of their testimony with regard to Olmert.

"Olmert should be indicted just like his co-treasurer and subordinates, who were convicted," Ben-Yair said in a press statement. "This is mandated by the principle of equality before the law."

Before he can indict Olmert, who is still a sitting Likud MK, Ben-Yair will have to ask the Knesset to lift his parliamentary immunity. This request may encounter opposition from some of the coalition MKs, who have gone on record as saying that a decision to indict after eight years' time - and only a few days after the Likud won the elections - smacks of political motivations rather than pure law enforcement considerations.

The Knesset will presumably begin discussing the request as soon as it reconvenes after the holidays. Arnon told Israel Radio last night that he will recommend that Olmert not agree to have his immunity lifted nor suspend himself from his mayoral post if he is indicted. Arnon added he would take steps to cancel the indictment.

INSIDE EIGHT PAGES FROM SUNDAY'S The New York Times WEEKLY REVIEW

PA confirms Bank Leumi gas tax account DAVID MAKOVSKY

THE Palestinian Authority has acknowledged that its gas tax revenues are being refunded by Israel into a Bank Leumi account operating outside of the PA budget.

As first disclosed last week by The Jerusalem Post, upon the request of PA leader Yasser Arafat in mid-1994, Israel has deposited close to NIS 200 million in Palestinian gas taxes over the last two years in a Bank Leumi account in a Tel Aviv branch for Arafat's discretionary use.

Officials say a signatory on the account is Khalid Sahaam, otherwise known as Mohammed Rashid, who is Arafat's financial adviser. Last week, a PA spokesman denied to wire services that a Bank Leumi account existed.

However, page three of a document about the PA's financial situation signed by the PA Finance Ministry and distributed by the PA to all donor countries at their meeting in Washington last Thursday, says: "The PA is also considering integrating the petroleum excise account at Bank Leumi, as well as the excise tax account in the West Bank, into the Ministry of Finance's budgetary operations."

The wording clearly suggests that there is a second nonbudgeted account in the West Bank, but details could not be confirmed.

While the report says it is "considering" consolidating the account into PA budgeting, it makes no commitment to do so, even though the report says the "centralization" of accounts is a PA priority.

The PA Finance Ministry report files in the face of World Bank officials who anonymously claimed last week that the account is actually Arafat's personal money, since the report plainly states that the money in question is tax revenue transferred by Israel.

With the exception of gas taxes, health and income taxes collected from Palestinians to the PA budget as part of the April 1994 Paris agreement.

PM will ask Clinton to send message to Damascus DAVID MAKOVSKY

DURING their meeting today, Prime Minister Binyamin Netanyahu wants to persuade US President Bill Clinton to make it clear to Damascus that any verbal or unsigned understandings reached with Syria by the Labor government are not binding upon his government, an official said.

Netanyahu left last night for the US, where he will meet Clinton and address Jewish activists in New York before returning to Israel on Wednesday.

"Let's face it. The US is doing the negotiating with Damascus about resuming peace talks and not us," an official in the Prime Minister's Office said yesterday. "Therefore, it is important that Washington tips the balance on this issue and put its weight behind our position. It is our firm belief that non-signed agreements of the Labor government are not binding."

The US is believed to have been supportive of Israel's insistence that Palestinian Authority discuss modifications of Hebron redeployment, a move which made Netanyahu's meeting with PA Chairman Yasser Arafat possible.

Officials are concerned about Yitzhak Rabin's verbal assurance to Clinton that Israel would completely withdraw from the Golan, if it is satisfied with security arrangements and normalization. An unsigned US-brokered "non-paper" of May 1995, which makes clear that the principle of "equality" would govern Israeli-Syrian security arrangements, regardless of any Golan withdrawal, is also of concern.

Netanyahu said yesterday that his government will not be bound by the previous government's assurances on the future of the Golan Heights.

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Arafat and Mordechai agree to schedule meeting

THEY spoke on the phone for minutes, after which officials... ARIEH O'SULLIVAN



Attorney Yehuda Raveh speaks yesterday in Jerusalem's Safta Square to lawyers participating in a Jerusalem Bar Association rally...

Israel backs UN test ban treaty

WITH Israel's support, the UN General Assembly, possibly as early as this week, is expected to approve an unusual procedure that clears the way for a nuclear test ban treaty...

Two charged in Jaffa bomb plot

YUSEF Jedani, 20, and Ahmed Abu Kaud, 23, both of Jaffa, were charged in Tel Aviv District Court yesterday with plotting to destroy a synagogue, a Keter Plastics store, and other structures...

Teens barred from Bethlehem trip

"CROSSING Frontiers," a program for high school youth from the Middle East and Austria, came to an abrupt halt yesterday, when the Education Ministry refused to allow the Israeli participants to travel with the group to Bethlehem...

NEWS IN BRIEF

Tehila wins UNESCO prize for its work... Egged continuing service to Egypt... New D-G for Postal Authority... First rain falls in much of country... Sentenced to life for murdering wife...

Petition: Ad in 'Ha'aretz' accuses Netanyahu of Rabin's murder

The author of an advertisement which indirectly accused Prime Minister Binyamin Netanyahu of responsibility for the murder of prime minister Yitzhak Rabin should be investigated on suspicion of sedition and libel...

Northern council head requests bomb shelters

MATEH Asher Regional Council head Yehuda Shavit yesterday called on the government to implement promises made by the previous government after Operation Grapes of Wrath...

Government hospital workers may strike over proposed changes at Sheba

OVER 10,000 government hospital workers said they will apply sanctions and possibly strike before the end of this week because Sheba Hospital managing director Prof. Mordechai Shani has "decided to institute structural and organizational changes" in his institution...

Sentenced to life for murdering wife

Misgenau Chakula, 43, was convicted by the Tel Aviv District Court yesterday of murdering his wife, Atkelat, with an ax. The conviction carries a life sentence, with the judges saying there were no extenuating circumstances warranting a lesser sentence for the October 1995 murder...

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US warns Iraq as two Kurdish towns fall

Turkey hunts rebel Kurds

BAGHDAD (Reuters) - Thousands of refugees fled fighting between two rival Kurdish factions in northern Iraq yesterday as an Iraqi-backed group captured two more towns, driving its rival towards the border with Iran.

Senior US officials warned Iraqi President Saddam Hussein he would "pay the price" if Iraqi government forces were involved in the fighting, but said they had no evidence of a direct Iraqi role in the capture of Degala and Koi Sanjaq.

The Patriotic Union of Kurdistan (PUK) said Iraqi troops did help the rival Kurdistan Democratic Party (KDP) capture the towns. The KDP denied it.

Koi Sanjaq lies about 100 km northwest of Sulaimaniya, the last main PUK stronghold near the Iranian border.

Reuters correspondent Osman Senkul saw some 5,000 refugees fleeing towards the Iranian border on anything on wheels - cars, coaches, trucks and even bulldozers laden with belongings.

KDP forces backed by Iraqi troops captured the main northern Kurdish city of Arbil from the PUK on August 31.

The United States responded by firing 44 cruise missiles at what it said were military targets in southern Iraq and by extending a no-fly zone in the south almost up to Baghdad.

PUK leader Jalal Talabani told the British Broadcasting Corporation that the US missile attacks on southern Iraq had done nothing to stop Saddam from continuing his attacks in the Kurdish-

held north.

"They must prevent Saddam Hussein... Now we have to punish him," Talabani said.

"We call on the US and its coalition partners to intercede urgently to halt the Iraqi aggression and end this onslaught against the Kurdish people," the PUK said in a statement.

But it was not clear how the United States would respond to the latest developments.

Defense Secretary William Perry referred to inter-Kurdish fighting as a civil war in which it would be a mistake for the United States to intervene.

He said on the CBS program *Face the Nation* that the United States did not know the scope of Iraqi involvement in the latest clashes between the KDP, which recently sided with Saddam, and the PUK which denies allegations it is backed by Iran.

General John Shalikashvili, the top US military officer, said Saddam appeared to have withdrawn all but several hundred of his troops from the allied-declared Kurdish safe haven set up after the 1991 Gulf War.

"Our judgment is that it's certainly in the hundreds and not in the thousands," Shalikashvili said of the number of Iraqi troops thought by the United States to remain in the zone supposedly off-limits to Iraqi onslaught.

White House chief-of-staff Leon Panetta also told CNN that Washington did not know the extent of Iraqi involvement in recent fighting but added:



Iraqi Kurdish children gather around a woman washing her clothes yesterday, as others carry water to their tents set up near Kani Masi village in northern Iraq. Some 40 families have moved to the village in fear that Turkish troops may enter the area. (Reuters)

"We have made it clear that if Saddam uses forces against his own people or his neighbors, there is a price to be paid."

He declined to say what the US, which has received scant diplo-

matic support from its allies for its military action, might do.

Iraqi media maintained their defiant tone yesterday, reiterating Baghdad's threats to shoot down US or allied aircraft flying over

Iraq and ignore the no-fly zones.

Official newspapers carried on their front pages a Foreign Ministry statement vowing that "our air defenses throughout Iraq will hit at any hostile target violat-

ing our skies."

Iraq's military said on Saturday it had fired surface-to-air missiles but they had missed. The Pentagon said it could not confirm that missiles had been fired at US planes.

TUNCELLI, Turkey (Reuters) - Turkish security forces stepped up land and air operations against Kurdish separatists yesterday after the rebels shot dead nine government troops in an ambush.

Security officials said up to 20,000 troops, backed by helicopters, were involved in the latest move against Kurdistan Workers Party (PKK) guerrillas, waging a 12-year fight for self-rule. More than 20,000 people have died in the insurgency.

The theater of operations included a triangle formed by the provinces of Tunceli, Erzurum and Bingol, the security sources said.

The state-run Anatolian news agency said two Turkish troops and two PKK guerrillas were killed in a clash yesterday in Genc township, Bingol province. Three soldiers were also injured.

In Yusekova, near the Iranian border in Hakkari province, police carried out house-to-house searches for PKK rebels after slapping a curfew on the district and cutting telephone service, Anatolian said. The restrictions were lifted later yesterday.

Earlier, about 40 PKK women ambushed a Turkish unit near Kemalpaşa township, also in Bingol province, military sources told Reuters.

Nine members of the security forces were killed. Government troops killed two rebels after sending helicopter-backed support to the region.

Russian troops start leaving Chechnya

RUSSIAN troops began pulling out of Chechnya yesterday under a peace deal signed with the rebels last month but still in doubt.

A military band struck up cheerful music at a farewell ceremony at the Russian military airport outside the Chechen capital Grozny where the 133rd battalion began the withdrawal.

Overall troop commander Vyacheslav Tikhomirov thanked the soldiers, wished them well and handed out medals in a low-key ceremony reflecting mixed feelings over the withdrawal after 21 months of bloody and inconclusive fighting.

"For your service, for military achievements, all the best to you and a safe journey home," Tikhomirov said, to the sound of polite clapping from the rows of conscripts.

The troops started pulling out leaving behind joint military administrations in Grozny which currently limit their activities to patrolling the city.

But Interfax news agency said Deputy Interior Minister Valery Fyodorov met his

opposite number in the separatist government, Kazbek Makhachev, to discuss deeper coordination between law enforcement bodies of Russia and Chechnya.

Interfax said no practical decisions had been made at their meeting in the village of Novye Atagi south of Grozny.

The peace deal, signed last month after Moscow was humiliated by a rebel attack on Grozny, provides for the withdrawal of all Russian troops temporarily stationed in the region. But there is disagreement about what that involves.

The rebels say the fact that there were no troops in Chechnya before the conflict began in late 1994 means they must all pull out. But the Russian side has said some troops will be based there permanently.

President Boris Yeltsin added to the confusion last Thursday when he broke his silence

on his envoy Alexander Lebed's peace mission by saying he backed the deal but opposed the early withdrawal of troops.

Tikhomirov said the deal Lebed signed with the rebels was the last chance for the conflict to be resolved peacefully.

"Today's attempt at a peaceful resolution of the military conflict in Chechnya is already the third. There will not be a fourth," Tass quoted him as telling reporters. "If this attempt fails, the issue will be resolved with other methods and means."

Fighting has died right down since the August 21 cease-fire and Tass reported there had even been a football match between rebels and soldier, won 3-1 by the soldiers.

But the agency also quoted military officials yesterday as saying one soldier had been killed and one wounded when their positions were fired on.

The latest deal has fueled hopes for a lasting peace because it has tackled the issue at the heart of the conflict for the first time - the region's political status. (Reuters)

Turkish Cypriot soldier shot dead in Cyprus

MICHELE KAMBAS
NICOSIA

A Turkish Cypriot soldier was killed and another seriously wounded yesterday when shots were fired at their post near the UN-patrolled buffer zone that separates Greek and Turkish Cypriots, officials said.

It was not immediately clear who was responsible for the shooting, but Turkish Cypriots and Turkey blamed Greek Cypriot soldiers and warned that the incident would heighten tensions and hamper efforts to resolve the Cyprus problem.

There were also fears that the incident was related to the killing of two Greek Cypriot men during anti-Turkish demonstrations on the demarcation line last month.

"We have learnt that there was an infiltration from the English base and this soldier was shot, and I am afraid that we have findings the guns used are actually similar to the guns used by the Greek [Cypriot] police and the military," Turkish Foreign Minister Tansu Ciller said.

But the Cypriot government categorically denied any involvement of police or soldiers from the Greek Cypriot side in the incident.

Government spokesman Yiannakis Cassoulides, quoted by the official Cyprus News Agency, said National Guard officials examined all weapons held by soldiers in the area and found no indications of them being used.

He said police had no reports about shots from the "free areas to the Turkish-occupied areas" and described the incident as "an act of Turkish provocation," implying that Turks had killed one of their own men.

Turkish Cypriot leader Rauf Denktash was quoted by the Turkish Cypriot news agency TAK as saying: "The blood of Turks has been drunk once again... Have the church and Greek leadership satisfied their thirst by this blood? Will they?"

The shooting occurred at about 4 a.m. at a Turkish Cypriot guard unit in Achertou village, which Turks call Guvercinlik, on the northern edge of the British base of Dhekelia in southeastern Cyprus.

TAK identified the dead soldier as Allah Verdikilik and the wounded as Burhan Cihangir. It said both were Turkish Cypriots. (Reuters)

Okinawans vote 9-1 against US bases

NAHA, Japan (Reuters) - Okinawa residents yesterday convincingly backed a proposal to cut back the huge US military presence on the Japanese island, with supporters claiming victory despite a relatively low voter turnout.

The result failed to settle the one-year-old confrontation between Okinawa and the central government over the bases, sparked last September by the rape of a 12-year-old schoolgirl by three US servicemen.

Political analysts said the outcome lifted some of the pressure on Prime Minister Ryutaro Hashimoto and the Clinton administration to take immediate new steps to reduce the size of the forces, but the strength of the opposition showed that the problem must be addressed at some point.

The Okinawa election commission said that 89.1 percent of those voting backed the initiative, with just 8.5 percent against. The remaining ballots were spoiled.

Approval was never in doubt since only a handful of ultra-nationalists had campaigned for a "no" vote.

Oprah tops list of best-paid entertainers

NEW YORK (AP) - Oprah Winfrey has talked so well during the past two years that she once again ranks atop *Forbes* magazine's list of the 40 best paid entertainers. Her combined 1995 and '96 earnings: a whopping \$171 million.

That puts her \$21 million ahead of No. 2, director Steven Spielberg, and returns her to the top spot she last occupied in 1993.

The reigning queen of talk television, Oprah just keeps on going, despite a temporary dip in ratings two years ago. *Forbes* says in its September 23 issue, released yesterday, the magazine said a fitness book she co-authored added to her

earnings.

Spielberg, ranked No. 1 in 1994 and 1995, fell to the No. 2 spot. Winfrey occupied last year as his \$150 million two-year estimated gross income failed to stack up.

Next on the list are the Beatles at No. 3, singer Michael Jackson, and the Rolling Stones in fifth place.

Rounding out the top 10, beginning with No. 6: the Eagles, Arnold Schwarzenegger, magician David Copperfield, actor Jim Carrey and Michael Crichton, author of *Jurassic Park*.

Forbes noted that the world's top 40 list, which the magazine has been compiling since 1987, has seen

Belgian ex-minister arrested in Cools murder probe

BRUSSELS (Reuters) - The Belgian judiciary arrested former regional minister Alain Van der Biest yesterday in connection with the unsolved murder of a socialist politician five years ago.

Belgian media said that Van der Biest had been detained in connection with the killing of Andre Cools following testimony by his former personal secretary Richard Taxquet.

Taxquet was arrested on Friday along with three others in connection with the Cools case. Police have also issued an international arrest warrant for Pino Di Mauro, Van der Biest's former driver, a judicial source said.

Two relief aid workers killed, 34 injured in Rwanda mine blast

KIGALI, Rwanda (AP) - A bus full of relief workers hit a land mine as it headed to a camp for Rwandan refugees in eastern Zaire, killing two people and injuring 34, relief groups said yesterday.

The victims of the Saturday morning explosion at Kibumba camp in Goma were Zairians working for the International Federation of Red Cross and Red Crescent Societies.

Three of the injured had both their legs amputated at a hospital, where another 18 were hospitalized, the federation said in a statement from its headquarters in Geneva.

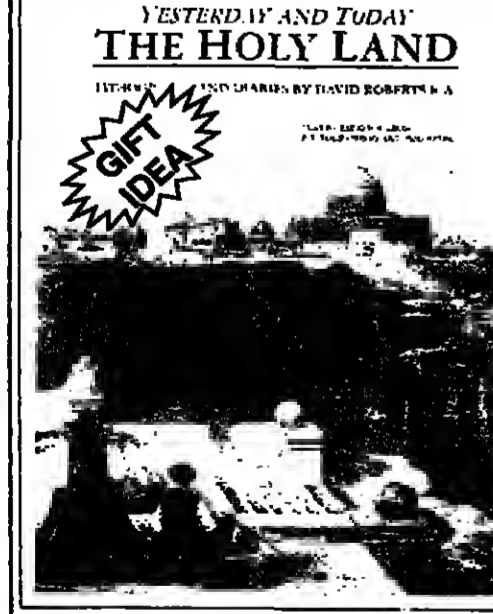
The agency said it was suspending operations for a week "to review this latest security incident and allow a period of mourning." The federation has been caring for

200,000 refugees at Kibumba.

"It's sad to see the Society hit by tragedy for the second time since it resumed responsibility for the operation, who things have been going well," said spokesman Piero Calvi Pariseti.

In June, three Zairians working for the same organization were killed when unidentified gunmen opened fire on its main warehouse near Goma.

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New book claims Bormann was smuggled out of Germany, lived in Britain

MARTIN Bormann, Adolf Hitler's right-hand man, lived in a quiet English village for 11 years after being smuggled out of the Fuehrer's bunker by British commandos, according to a new book.

Christopher Creighton, a former television and film director, claims he was part of the crack unit that whisked Bormann out of Berlin only hours before Allied forces captured the German capital in May 1945.

His book, *Op.JB (Operation James Bond)*, says Winston Churchill, Franklin Roosevelt and Britain's King George VI all approved of the operation - the purpose of which was to help the Allies recover an immense fortune appropriated by the Nazis and salted away in Swiss bank accounts.

"It was a question of morality. The Nazis had stolen a vast sum and Churchill wanted it to be returned to its rightful owners," Creighton, who claims Bormann's fate is the "last great secret of World War II," told Reuters in an interview. *Op.JB* was published at the beginning of September.

According to Creighton, who acted on Broadway with Noel Coward and in London with Sir Laurence Olivier, Bormann alone had access to the gold, gems and cash, a haul so vast that the side of a mountain had to be hollowed out to hold it.

Creighton claims that after the capture of Bormann, Hitler's private secretary, 95 percent of the plundered treasure was restored to its former owners.

Bormann, who was indicted in his absence

by the Nuremberg tribunal after World War II for crimes against humanity, was smuggled into Britain, debriefed by British naval intelligence and from 1945 until 1956 lived in southern England, he said.

"Martin Bormann lived in Hampshire, near Dummer where Fergie [Sarah Ferguson] grew up," Creighton, whose credits include American TV series *Maverick* and Britain's *The Saint*, added.

Fergie, as the Duchess of York is popularly called, grew up in the sleepy Hampshire village, before her marriage to Prince Andrew, Queen Elizabeth's second son. The marriage ended in divorce in March.

Bormann was a trusted and loyal aide, responsible for Hitler's finances. Hitler once called him "my loyal Party comrade," and Bormann was a witness at the German dictator's wedding to Eva Braun.

Creighton claims Ian Fleming, creator of the suave British secret agent James Bond, was also part of the commando team, and that while in England Bormann was used extensively by both British and US intelligence agencies to help them track down wanted Nazi war criminals.

In the 1960s, Creighton worked with British actor Roger Moore, who would later play Fleming's character James Bond. Moore and Creighton were classmates after the war at

London's prestigious acting school, the Royal Academy of Dramatic Art.

Creighton acknowledged that historians doubted the truth of his book and admitted that he had no documentary evidence to support his claims.

He also noted that his story cannot be challenged by Fleming or any of the other alleged members of the commando team, all of whom have since died.

"I didn't plan it that way - to be the last survivor, but I can tell you it is the truth. Anyway, documents can be forged, but my recollections cannot," he said.

The British Ministry of Defense was unable to comment on Creighton's story. "Anyone who might have known anything around that time is either dead or retired," a MOD spokesman said.

Bormann was sentenced to death in absentia at Nuremberg but was never actually brought to trial. His remains were found in December 1972 in Berlin by German authorities - a discovery Creighton labeled as "convenient."

He claims that Bormann was flown to Argentina in 1956 but soon moved to Paraguay where he died in 1959. According to Creighton, Bormann was buried in a local cemetery, but some time later, in a deal concluded by the US Central Intelligence Agency, the Paraguayan government and German intelligence, his remains were exhumed and taken back to Berlin.

"This is not something the CIA would want the world to know," Creighton said. (Reuters)

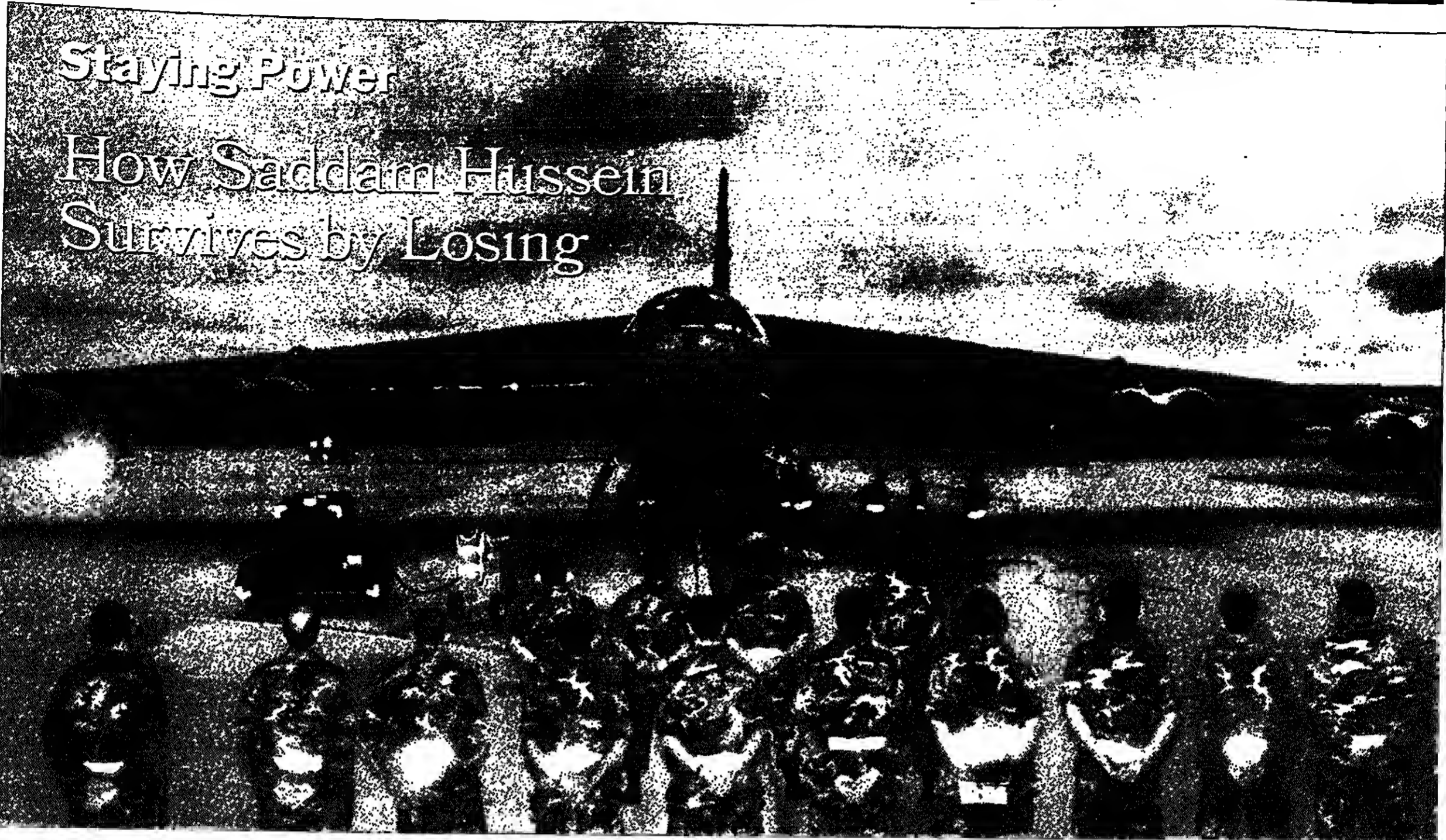
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After launching cruise missiles into southern Iraq, an American B-52 bomber returned Wednesday morning to Andersen Air Force Base in Guam, where it was met by a maintenance crew.

Staying Power How Saddam Hussein Survives by Losing

By ELAINE SCIOLINO

WASHINGTON

THE first question to John Deutch, the Director of Central Intelligence, after he gave a speech on terrorism last week was the one that a lot of people may have been wondering about but were afraid to ask:

"I would hate to sound cruel and that sort of thing, but with all the Kurds being killed and the rough situation in Iraq, I can't help but wonder why we haven't killed Saddam Hussein," a member of the audience said. "It just seems like if we could get him out of the picture, it'd be much easier."

The audience at Georgetown University laughed. Mr. Deutch patiently explained that assassination was against America's laws. Besides, he said, it isn't something the United States does particularly well.

The answer is as obvious as the question, but it defies common sense. After the Iraqi leader invaded Kuwait six years ago, President Bush called him a "wacko" and "worse than Hitler." Defeated militarily by an international coalition, subjected to the toughest economic sanctions in history, denied control of a fourth of his territory by American warplanes, how is it that he

is still around to make more trouble?

The answer to that question is less obvious. But it is the same for President Clinton as it was for President Bush. Both Administrations, it seems, would have welcomed Saddam Hussein's departure from the political stage, but only with a long list of conditions:

- As long as Iraq didn't disintegrate in the process.
- As long as America's allies weren't too badly offed or frightened.
- As long as Iran wouldn't step into the breach.
- As long as Americans weren't put at risk.
- As long as the operation didn't cost too much.

In other words, if Iraqis themselves could remove Mr. Hussein from the scene neatly, replace him with another strongman, keep the country intact and do it without bothering the neighbors, it would be a good thing. If they couldn't, the United States has had no intention of doing it for them.

So two Administrations have fallen into a course of half-measures: Keep Mr. Hussein isolated with political and economic sanctions, and punish him with limited military force whenever he shows signs of military adventurism. However much from time to time policy makers might wish him gone, they have been paralyzed by what they think the cost would be: another massive war involving American troops; a large-scale, lengthy covert operation, or costly air strikes that would upset

nervous allies in the region and might not work anyway.

There was Mr. Hussein again last week, smiling in grainy Iraqi television footage (was this some bad rerun from the 1991 Gulf War days?) as he declared victory against the United States and vowed to retaliate against American interests, even as President Clinton was declaring on American television that Iraq had been punished by American military power. There, too, were the national security aides from the Bush Administration again, defending their unfinished war and selectively reinterpreting history in the process.

Thomas Jefferson, Where Are You?

Toppling Mr. Hussein was never part of the war plan, and who's to say anyone else would have been better, said Colin Powell, the wartime chairman of the Joint Chiefs of Staff. "I have never quite seen a Saddam Thomas Jefferson Hussein standing in the wings, ready to come out and be a democrat," he told CNN.

What none of the Bush officials said, of course, was that Mr. Hussein may be in power today because of the American decision to end the 100-hour war before destroying Mr. Hussein's elite Republican Guard. The Bush Administration wanted to avoid the impression that the victorious Americans were eager to slaughter the retreating Iraqis; thus they lost the chance to deprive Mr.

Hussein of the force that, now as then, forms the military backbone behind his power.

Fast forward to the Clinton years. The events of last week were an unwelcome reminder that the Clinton team has done no better than the Bush team at reaching (or even defining) its long-term goals in Iraq.

Asked whether the ultimate goal of Washington's attacks was the removal of Mr. Hussein from power, Defense Secretary William Perry said that all of the American responses to him through the years were intended to either "deter him" from unacceptable actions or "punish him" if he did take those actions. Well, then, a questioner asked, if Mr. Hussein's ouster is not the goal, won't the United States have to hit him over and over? Yes, Mr. Perry essentially said.

Mr. Deutch sees it a bit differently: The United States wants Mr. Hussein to go — if the country does not fall apart.

"We stand for a change in the regime in Iraq that will not only preserve the integrity of the country, but will stop it from being an obvious threat to its neighbors," he told his audience at Georgetown.

Even a covert C.I.A. operation to overthrow the Iraqi leader that was authorized by Mr. Clinton this year offers scant evidence of real determination. It seems much too

Continued on page 4

He's No Christie Whitman 15% Hasn't Been Dole's Solution

By R. W. APPLE JR.

WASHINGTON

THREE years ago this fall, a relatively unknown New Jersey politician from a locally famous Republican clan, Christine Todd Whitman, frustrated Gov. Jim Florio's bid for re-election, largely on the strength of promised (and subsequently delivered) tax cuts. She and her campaign have since cast an iconic spell over her party, not least Bob Dole and Jack Kemp.

But with less than two months to go until Election Day, with conventions having convened and bounces having bounced, with Mr. Dole and his running mate having ceaselessly trumpeted their promise to cut income taxes 15 percent and still balance the budget in short order, the New Jersey juju does not seem to be working. Mr. Dole trails President Clinton by 13 percentage points in the latest New York Times/CBS poll, and people are talking landslide.

So what's wrong?

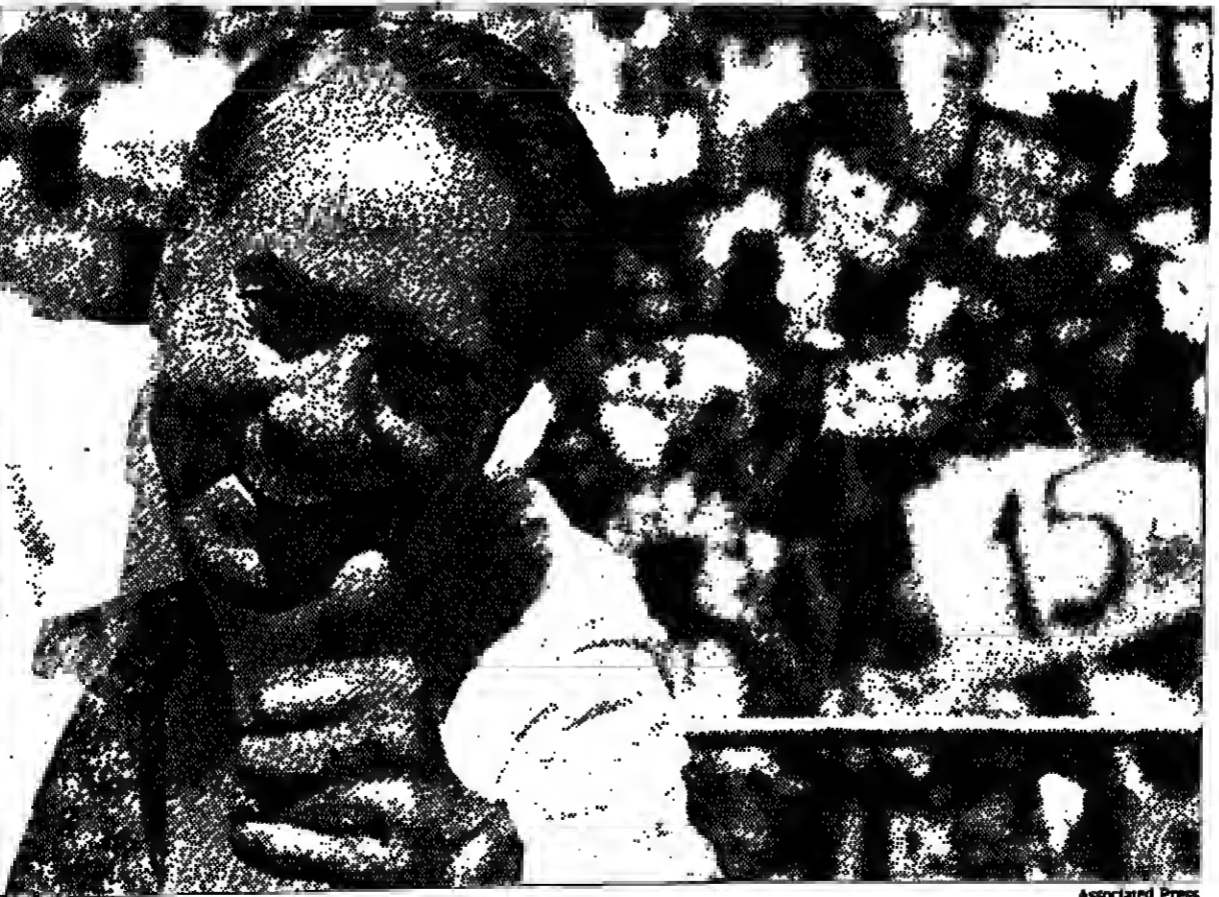
The campaign itself blames neither the message nor the messenger. It blames the image makers, and last week it replaced them, pushing aside Don Sipple and Mike Murphy, a pair of established media pros, in favor of a less experienced but more aggressive trio of advisers. Campaigns going nowhere fast often do this kind of thing; as a matter of fact, Mr. Dole brought in Mr. Sipple to replace Bill Lacy last February when things were going badly.

Ebb Tide

To tell the truth, there has been nothing very memorable about the Sipple/Murphy ads. But no one outside the Dole campaign thinks the new media consultants will have an easy time selling the candidate or his tax cut.

Economics is important, but there are other issues in his as in all elections. This time, the Republicans stand in abortion has cost them dearly, especially in the pivotal suburbs and especially among women, who account for much of Mr. Clinton's lead. Mrs. Whitman, who favors abortion rights, faced no such hurdle; indeed, she ran strongly in the suburban belts around New York and Philadelphia, exactly the kinds of places where Mr. Dole is in trouble.

She was young (47) and fresh; Mr. Dole is old (73) and, if by no means worn out, overfamiliar as a political



Bob Dole, shown in Costa Mesa, Calif., hasn't been able to overcome skepticism about his tax-cut pledge.

insider in a day when experience is counted a liability, not an asset. She is personable and telegenic, as she showed in Chicago last month; on the small screen, he looks klutzy and rather forbidding. She caught a rising Republican tide, a year before the party's great Congressional sweep of 1994; he must fight a Republican ebb tide, the result of public disenchantment with the party's stewardship on Capitol Hill in the last two years.

And there's another reason that Mr. Dole might suffer in comparison with Mrs. Whitman on the subject of taxes. Most state constitutions (including New Jersey's) require balanced budgets, so wary voters know that if tax cuts reduce revenues, governors will be forced to cut spending by an equal amount, however unpopular that may prove. At the Federal level, there is no legal requirement to match programs to resources, which has led Presidents to do the politically popular thing first: cutting taxes, and postpone the political root canal there-

Continued on page 3

Peer Pressure
In a land of conformity, a new excuse for Japan's children to bully each other.
By Sheryl WuDunn **2**

Overlooking the Past
For former Khmer Rouge leader, it's forgive and forget.
By Seth Mydans **2**

Patterns of Nature
A world of order in vibrating grains of sand.
By George Johnson **3**

Ideas & Trends

From Grains of Sand: A World of Order

By GEORGE JOHNSON

HIKING the mesas and canyons of northern New Mexico, a visitor is occasionally startled to find a shard of broken pottery decorated with intricate geometrical designs. The Anasazi, who lived here hundreds of years ago, craved not only food and sunlight but pattern. Not all the symmetries found along the trail are artificial: spiraling pine cones, shimmering crystals, radiating petals of flowers. There seems to be something natural, almost effortless, about the way pattern arises in nature — with or without the help of human hands.

Last week in the journal *Nature*, scientists at the University of Texas and the University of Santiago in Chile described a remarkable experiment in which they tapped into nature's self-organizing flow. Jiggling a layer of sand at just the right rhythm caused patterns of vibrating peaks and craters to emerge. Sometimes these vibrating structures — dubbed oscillons — joined to form larger patterns, which came together to form still more intricate designs. The photographs of this naturally arising order call to mind the process of subatomic particles combining to form atoms, and atoms to form molecules and crystals — science's Great Chain of Being.

A Pattern in Patterns

It is hard not to let the imagination run wild. Could real particles — the quarks and leptons of particle physics — be created from the jostlings of some kind of incredibly tiny subatomic sand? With the right rhythms, could scientists jostle their sandboxes so that the "molecules" combined to form cells, and the cells joined with other cells to produce some weird artificial life?

These are the kinds of speculative leaps you sometimes hear when hanging out with complexity theorists. But behind the fantasies is a serious, sober effort to understand one of science's most engaging mysteries: how order emerges in the world. Experiments like the

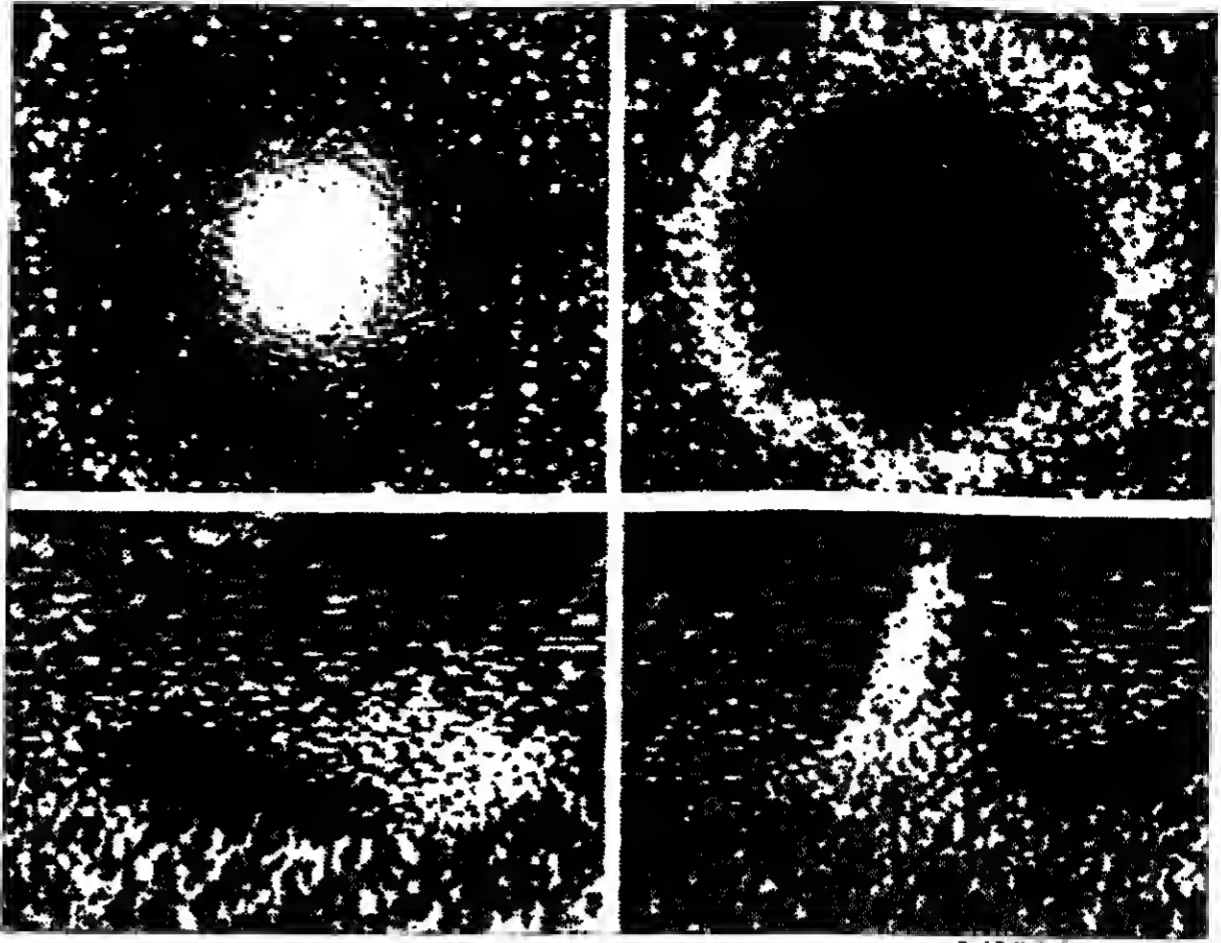
one described in *Nature* show that masses of identical tokens (like the sand grains), each capable of interacting only with its immediate neighbors, can spontaneously generate intricate patterns. Then these patterns become tokens in another game, consorting with one another to form the next level in an intricate hierarchy. Simplicity gives rise to complexity.

Are More Laws Needed?

Instead of grains of sand, think of neurons in a brain, each communicating only with its neighbors and yet generating the far-reaching patterns of thought. Or think of traders buying and selling, each of these purely selfish exchanges giving rise to the blind, overarching forces of the marketplace, Adam Smith's invisible hand. In all these examples, there is no need of a Grand Conductor, looking down from above and orchestrating the flow. The order bubbles up from below, as though something universal were going on.

Murray Gell-Mann, the Nobel prize-winning physicist who helped found the Santa Fe Institute, a leading center for the study of complex systems, succinctly summarized the mystery in the title of his book, "The Quark and the Jaguar." How do you get from the very, simple — like the quarks Dr. Gell-Mann discovered — to creatures with drives and desires of their own? You cannot predict what the jaguar will do from the equations of the Standard Model, the body of law governing subatomic particles. But surely there is nothing about jaguars — which are made, after all, from quarks — that defies the fundamental laws of physics.

Is there a parallel between sand grains cooperating to form oscillons and quarks cooperating to form the particles that form the atoms that form jaguars? Stuart Kauffman, Dr. Gell-Mann's colleague and sometime antagonist at the Santa Fe Institute, believes that the laws we already know are not enough to understand these great towers of complexity. Something extra is needed — a grand principle that would explain how order inexorably arises in the world. In his view, it is not by chance that molecules in the primal sea came together to form the first self-reproducing cell, the grandparent of us all. The



Vibrating granule-sized brass spheres, seen from above (top) and from the side (below), form peaks and dips.

chemistry was guided by yet-to-be-discovered laws of self-organization, laws that are as fundamental and irreducible as those of physics.

Not everyone agrees that so radical an approach is called for. Complexity, as Dr. Gell-Mann sees it, can be explained by the laws we already have — as long as we take into account the role of randomness. By themselves, the simple laws of physics cannot predict the evolutionary accidents that led life on earth to develop the way it did.

To go from quarks to jaguars, you need to take into account a lot of extra information — the unpredictable twists and turns of a history that could have unfolded in many different ways. The wild card of randomness insures that the world will be filled with interesting surprises. But this complexity can be explained, though not precisely predicted, without the need of new fundamental principles.

Pondering these matters, one is inevitably led to the question of where nature's laws — the patterns that govern the patterns — come from in the first place. Do they somehow bubble up from below, emergent properties of simple interactions? In the sand experiment, the scientists discovered that their oscillons obeyed a familiar rule: opposites attract, and vice versa. A peak and a crater latch together to form a double structure. Two peaks or two craters repel each other. Is it meaningful that this is the same general law obeyed by magnets and electrically charged objects? Or is it just another of nature's coincidences?

Like the grains of sand in the experiment, we are tiny parts of a great order that we do not understand. Dressed in our checked shirts and striped blouses, as obsessively geometric as Anasazi pots, we strain to gaze beyond our tiny neighborhood and grasp the greatest patterns of all.

He's No Christie Whitman

The Tax Cut Still Leaves Dole a Poll Deficit

Continued From Page 1

apy, trimming entitlements. This year voters are increasingly content with their economic lot, according to the Times/CBS poll, and increasingly give Mr. Clinton a fair amount of the credit. Even among the 40 percent of the electorate that says the standard of living of the next generation is not likely to improve, Mr. Dole is able to do no better than hold Mr. Clinton to a draw.

People may detest the Internal Revenue Service and the whole tax structure, but Mr. Dole has proposed no root-and-branch reform of taxes. He might have done better if he had, instead of settling for a pallid and often offhand commitment to work for a "fairer, flatter" income tax system.

As it is, the Republicans are having trouble getting people to believe them. Despite all their efforts to convince the public that their supply-side formula will make it possible to cut taxes, preserve essential services and balance the budget, all at the same time, people are growing more skeptical, not less.

Last month, shortly after Mr. Dole's proposals were unveiled, 51 percent of the electorate expressed doubts about his ability to make the tax cuts he has promised; in the latest survey, the figure rose to 64 percent —

almost two-thirds. And although voters say they trust Mr. Dole more than Mr. Clinton, an astonishing 41 percent say that if he won he would increase taxes, 35 percent say he would leave them as they are and a mere 18 percent say he would actually cut them.

A big reason may be Mr. Dole's own record. He is a belated convert to supply-side economics, recruited by Steve Forbes and others after a political lifetime of loudly advocating spending cuts before tax cuts. Indeed, he still describes himself, in unguarded moments on the campaign trail, as "a longtime deficit hawk" — just the sort of bird supply-siders gun for.

Rubber Numbers

Of course, it may simply be too early for the oom message to sink in. Maybe by November a tax cut will prove as powerful a lure as in the past, regardless of its budget-busting potential. Mrs. Whitman, 20 percentage points down in the polls in mid-October, caught Mr. Florio at the wire, winning by only 25,000 votes.

There is plenty of evidence that Americans still shrink from difficult budgetary decisions, especially if they believe their own benefits are imperiled.

In the last two years, Newt Gingrich has confronted, far more squarely than the Clin-



Bob Dole and his wife, Elizabeth, at a rally last month in Chicago.

Dole shows his supply side; voters show their skeptical side.

ton Administration has ever done, the kinds of spending cuts long-term deficit-elimination would entail, and that, along with his abrasive advocacy, has earned him a political black eye.

But perhaps Americans are growing more sophisticated in evaluating the rubber numbers that politicians love so dearly at campaign time.

Former Vice President Walter F. Mondale, who earned a spot in political annals for his self-immolating advocacy of a deficit-fighting tax increase in the 1984 Presidential campaign, said the other evening: "The difference is that the public has had a taste of Reaganomics and its deficits. Then they had n't, so I got crucified." Dole, Kemp & Co. insist, of course, that if supply-side economics had been applied rigorously, the deficit would have shrunk, not grown.

Such would be the result of their own plans, they argue, but the public seems to disagree.

Campaigning on Portents of Doom and Boom

By TIMOTHY EGAN

BILL CLINTON, while walking across your bridge to the 21st century, take a long look back at the middle part of this one. Divorce was rare and most children were born into two-parent families.

Bob Dole, while harkening back to a country that you say was better and more civil, say hello to the early days of the 20th century, when Jim Crow was enforced formally in the South, informally elsewhere, and about 1 of 200 Americans was addicted to cocaine or opium.

This year, the quadrennial political debate over just how bad things are is joined by the sound of fin-de-siècle sirens for the death of character, spirituality and even Tuesday-night bowling leagues. This prompts some social critics to say we have simply become a nation of whiners.

Still, the fog of gloom refuses to lift in many quarters. It is good for the ballroom, book publishers, preachers and political underdogs.

But beyond people who may have a stake in a glass-half-empty view, the persistent sense of decline seems to have taken on a life of its own.

Perceptions and Election Targets

The Presidential race, on a significant level, is about crafting a narrative that fits with people's perceptions of their lives. Challengers, be they Bob Dole or Ross Perot, usually say the country has gone to hell. Incumbents say things are looking up.

Recent polling indicates that this durable equation may not work as expected this year. The New York Times/CBS News Poll finds the public rating the economy the best since 1988, giving credit to the President. Even the pessimists, those most anxious about the state of their lives, are leaning toward Mr. Clinton.

It's standard procedure. Challengers say the country is floundering. Incumbents say things are going swimmingly.

For Mr. Dole to convince people that he can return them to a time of "tranquility, faith and confidence in action," the nation has to feel as though its best days are behind it.

On the major issues, Mr. Dole points to decay. In San Diego, he said, "We are a nation paralyzed by crime," with "the lowest education achievers among the leading industrial nations," a place where "drug use has soared among the young." As for general prosperity, Mr. Dole says, taxes are up, wages are down and the overall economy "is in the tank."

For President Clinton, optimism has replaced the fears that he himself stoked four years ago, when he decied a nation where most Americans "work harder and earn less." At the 1992 convention, the Democrats sounded exactly like Bob Dole does today, and portrayed a country of "decline, decay and deception."

Now, Mr. Clinton trumpets the 10 million new jobs created on his watch, and tries to dispel the effect of people who respond, "Yeah, and I've got three of them."

Americans have become so accustomed to quantum leaps in their quality of life that any leveling off is seen as decline, says Robert J. Samuelson, author of "The Good Life and Its Discontents: The American Dream in the Age of Entitlement." "We expected that life in all its aspects would constantly improve," he writes. "Our

present extreme pessimism is merely the mirror image of this earlier extreme optimism. Neither is justified."

At some point in the coming weeks before the election, most Americans are likely to ask: How bad is it now? Or, put the other way: how good was it before? While statistics can be marshaled to go in any direction, some general truths emerge:

The economy. For the last 20 years, median wages adjusted for inflation have remained flat. The gulf between the rich and the poor is great.

But the American economy is now in the best shape of any modern democracy, creating so many new jobs that many areas are reporting acute labor shortages. As a result, wages are finally edging up. Home ownership is the highest it's been in two decades.

What's more, despite widespread anxiety over corporate downsizing, nearly two-thirds of the new jobs created in the last two years were in areas that paid higher than the median wage, according to a recent Government report.

Americans, however, see something else. The latest New York Times/CBS News Poll found that 68 percent of the people surveyed thought it was somewhat or very hard to find a good job at good wages locally.

Drugs and crime. Drug use among teen-agers jumped 80 percent since Mr. Clinton took office, but the number of Americans who said they used an illicit drug dropped to 12 million this year from 22 million in 1984.

Serious crime dropped last year for the fourth consecutive year, especially homicide. Arguably, Americans are safer compared to 10 years ago but not compared to the 1940's or 1950's.

Health. About 40 million Americans lack health insurance. One in three is overweight. But many life-threatening diseases now have cures. Also, with the advent of Medicare in 1965 came the first generation of elderly Americans free of fears that even a relatively minor illness could bankrupt them.

Education. In 1945 just 5 percent of American adults were college graduates.

degrees. Last year, 25 percent had college degrees; 81 percent had finished high school. And for the first time the percentage of black high school graduates roughly equals that of whites.

Still, dropout rates are high, and American test scores lag behind those of other industrial nations.

Morals. Though a tough thing to measure, this has been a hardy perennial in books and speeches on decline. In 1945, 3.9 percent of children were born out of wedlock; last year, 31 percent were. Divorce, in the last 30 years, has nearly quadrupled, but shows signs of leveling off.

Church attendance has declined, with about 37 percent of Americans attending once a week. But this is still higher than in any other industrial country.

On a more abstract scale, shame is not what it used to be. Witness the fact that the former Presidential consultant Dick Morris, who resigned after allegations that he had patronized a call girl, can follow the now-familiar track from disgrace to book contract in a week's time.

Compared to What?

For all the numbers, most people see a better world or a bleaker one based simply on what they are used to, says Alan Ehrenhalt, the editor of *Governing* magazine and author of a new book on communities in the 1950's titled "The Lost City."

Mr. Ehrenhalt says the 1950's were viewed as an ideal time because what came before it, the Depression and global war, was so awful.

"People lived better than they ever thought they would," he said. "Now, we don't seem to trust the future to any great extent. There is a profound absence of the sense of the possible."

Even Presidential optimism is not what it used to be. Whereas President Kennedy said, "Man holds in his hands the power to abolish all forms of human poverty," President Clinton seems to have said:

Ideas & Trends

Just a Little Inflation, And Everybody's Happy

By LOUIS UCHITELLE

A NEW theme is gradually inserting itself into the debate over inflation. The traditional stance — beat down inflation — still draws plenty of applause. But after a long spell of mild inflation, economists, politicians and corporate executives are migrating toward the view that the present inflation rate should be preserved, perhaps nourished.

The hammerlock that the anti-inflation battle has had on economic policy is easing up. There is more talk of economic growth and job security as issues that should be higher on the national agenda than fighting inflation. And there is more talk now, even at a conference last weekend sponsored by the Federal Reserve — the premier inflation fighter — of the damage that could result from pushing the inflation rate to too low a level.

The Threat Is Gone

"What people seem to be recognizing is that we no longer seem to be threatened with accelerating inflation as we were in the 70's and 80's," said Paul M. Romer, an economist at the University of California at Berkeley. "There is still a group arguing for an inflation rate of 2 percent or less, but most economists, without saying so explicitly, now favor an annual inflation rate that ranges between 2 and 4 percent."

Various business organizations, including the Chamber of Commerce and the National Association of Manufacturers, argue increasingly that fighting inflation, when it is already sufficiently mild, is incompatible with their goal of increasing the demand for what corporate America sells. Similarly, the layoffs and wage stagnation that have plagued the nation in recent years are widely viewed by unions and by many workers as a by-product of the Federal Reserve's effort to soften the economy and thus push down an inflation rate that is already low.

For the last four years, inflation has risen at an annual rate of 3 percent or less. It is 2.9 percent for the 12-

month period through July, as measured by the Consumer Price Index. That is significantly lower than the rates — generally, 4 percent or more — that prevailed from the late 1980's until the early 1990's.

"Inflation is just out a cutting-edge public issue anymore," said Richard Nelsen, a Columbia University economist, "but there is obviously very widespread concern that incomes are rising very, very slowly."

Whatever the shift in priorities, the Federal Reserve, which has the power to fight inflation by keeping interest rates up, has not eased up on inflation fighting. Alan Greenspan, the Fed chairman, has expressed sympathy in public testimony for the emerging view that times have changed. But the latest published minutes of the Fed's deliberations portray the central bank's policymakers as favoring, as usual, "some additional progress in reducing inflation."

So far, President Clinton and Bob Dole are not mentioning inflation in their election campaigns, preferring instead to stress their formulas for growth and prosperity, as if inflation weren't a factor. Among other reasons, neither party wants to risk arousing the ire of the financial markets, which for years have raised a hue and cry at any attempt to push for more economic growth or for full employment at the risk of raising the inflation rate.

That is still a red flag on Wall Street, but it is not quite as high as it was. "This is the first time in years that we have inflation low enough for a long enough period to have a debate over how much growth is possible," said David M. Jones, chief economist at Aubrey G. Lanston, a Wall Street bond house. "We are at a moment when the bond market is allowing this national debate."

The debate is not a new one, of course. For generations, two camps have existed. One is composed mainly of people, usually wealthy people, whose main concern is to preserve the value — the purchasing power — of the wealth they have accumulated. Rising inflation can devalue these savings, which are held mainly in notes and bonds.



Consumer demand is in demand again. A Fremont, Calif., gas station ran dry during a promotion last April.

The other camp includes those who benefit from an economy that thrives at the cost of some inflation. Among them are wage earners counting on raises, retailers and manufacturers counting on a little inflation to help raise prices, homeowners who like to see their property values rise, and people in debt, who find that inflation can make their debts easier to repay.

Same Old Dispute

The struggle between these groups gave rise to the Midwestern populists (pro-inflation) who opposed the Eastern establishment (anti-inflation) in the 19th century, the free silver (pro-inflation) vs. gold standard (anti-inflation) debate, hard money (anti-inflation) vs. easy money (pro-inflation) and, most recently, tight monetary policy (anti-inflation) vs. easy policy. The terms have changed, but for more than a century the issue has been basically the same.

Over the last 18 years, the anti-inflationists have been the big winners, beneficiaries of the nation's reaction to the 12 and 13 percent inflation rates in the late 1970's and early 1980's, which upset everyone. For a

while, the winners spoke of driving the inflation rate down to zero, and some in this camp still argue that a zero inflation rate would encourage more savings and investment.

Only now, after four years of persistently mild inflation, has the pro-inflation viewpoint begun to be heard again. Increasingly, its proponents note, for example, that Government statistics probably overstate inflation, so that the already-low rate of 3 percent might really be only 1.5 percent, or even less. Indeed, zero inflation might have already arrived. If so, further efforts to drive down inflation would result in deflation.

Other arguments are also surfacing. Three economists from the Brookings Institution, in a new study that was discussed at the Federal Reserve conference last weekend, argued that the costs of driving the inflation rate down to zero from 3 percent would outweigh any gain. The economy would slow, encouraging layoffs and driving up the unemployment rate by 2 percentage points from its current range of 5 percent to 6 percent.

And so the debate gathers steam. "There is a span of views on inflation," Mr. Romer of Berkeley said, "that until very recently were not very well articulated."

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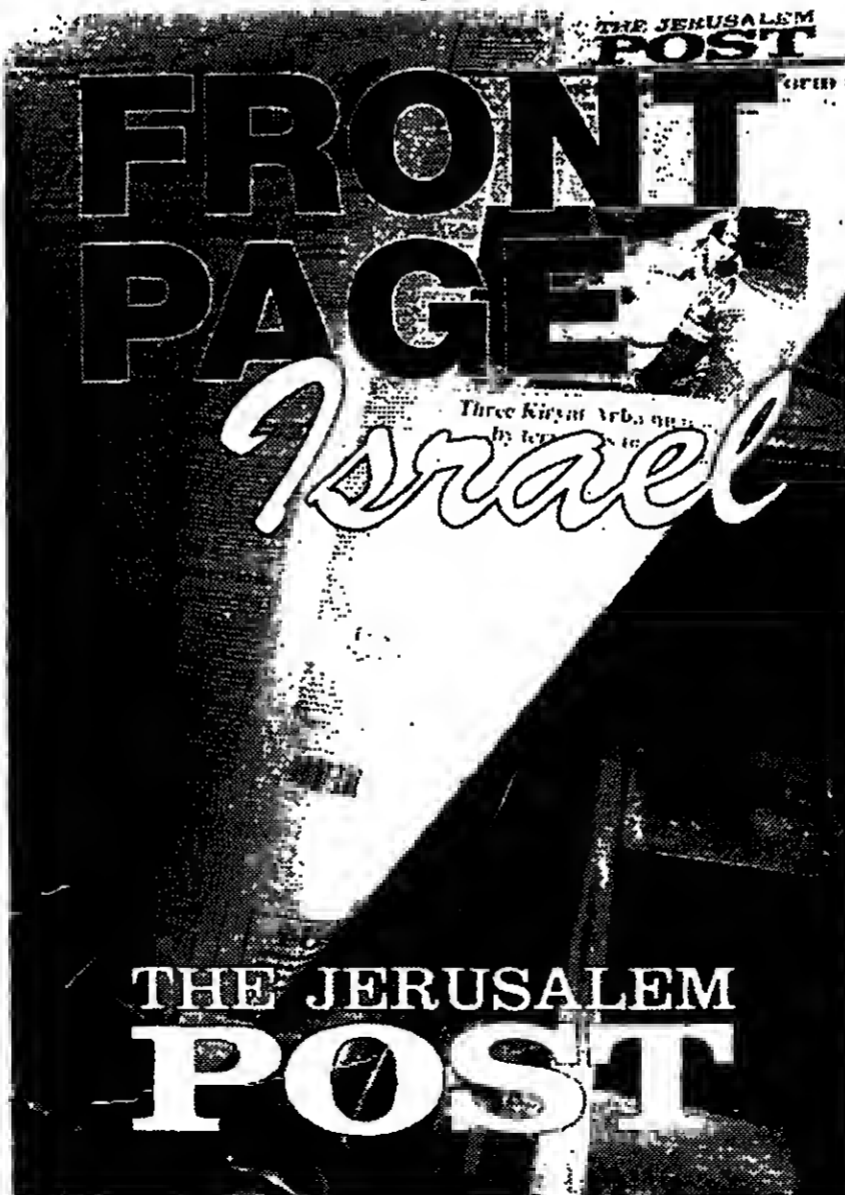
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Hussein Survives

Continued From Page 1

small to do the job. Although the Kurds in northern Iraq bear the most responsibility for the current dustup, the United States is partly responsible as well.

After setting up Operation Provide Comfort to shield the Kurds from Iraqi retribution in 1991, the United States lost control of the operation by allowing Turkey to take the lead in maintaining it. Turkey, which has problems with its own Kurds, played the two Iraqi Kurdish factions off each other and denied them economic assistance when it suited its needs. American protective flights over Iraq were greatly reduced; America's military presence on the ground decreased. Diplomatically, the United States treated the fighting between the two Kurdish factions as relatively minor.

"Washington conducted an absent-minded policy," said Morton I. Abramowitz, President of the Carnegie Endowment for International Peace, who was ambassador to Turkey during the gulf war. "It failed to make dealing with the enormously complex problem of northern Iraq a high enough priority."

So Saddam Hussein wound up intervening in the Kurdish struggle

The U.S. tried to shield the Kurds, but lost control.

and reasserting authority in the area. Mr. Clinton responded with missile attacks on Iraq's air defenses, but just what was accomplished?

Mr. Clinton's aides said the purpose of the raids was to send Mr. Hussein a clear message about his behavior. But the message was mixed. Granted, the missile attacks reminded Mr. Hussein that he could not do as he pleased, even in his own country. But by attacking sites in the south rather than in the north, where Iraq's tanks were deployed, the United States left the impression that it wants Mr. Hussein to survive — just hemmed in more than before.

The fact that the north was not attacked also gives the Iraqi Kurdish factions a green light to continue their fighting — promising both Iraq and Iraq further temptations to interfere. As ominous, last week's events call into question the whole future of the American-led operation to protect the Kurdish enclave.

Finally, the episode exposes the cracks that have been opening in the international coalition formed against Iraq six years ago. The United States has much less room for maneuver than it did when Kuwait was overrun and Saudi Arabia seemed to be the next target.

On the eve of the gulf war in 1991, Mr. Bush wrote in his diary, "Hope to see the madman is gone." The hope survives, but so does Saddam.

صكرا من الاصل

Foreign Affairs
THOMAS L. FRIEDMAN

Waiting for Ayatollah Gorbachev

TEHRAN, Iran
What produces a Mikhail Gorbachev? That is the question. You see, if change is to come to Iran, it is not going to come by the Shah's son riding back on a white horse to oust Iran's Islamic leadership. And it isn't going to come by way of the ragtag Iranian opposition based in Iraq regaining power in Teheran. No, if Iran is to become the more pragmatic, fully law-abiding member of the world community that the West seeks, it will only be because an Iranian Gorbachev emerges from the Muslim leadership that now thoroughly dominates this nation and is able to forge a more moderate, but still Islamic, course from within.

Mikhail Gorbachev was produced by a combination of economic and social pressures that came together in the Soviet Union in the mid-1980's. Have U.S. economic sanctions on Iran shown any sign of producing a Gorbachev-like figure within Teheran's Islamic leadership? The consensus answer here is: "No — not yet."

Why? For one thing, Iran's merchants, through ingenuity and corruption, have found enough alternative markets and ways around the U.S. sanctions to stay in business. I just spent a morning walking through Teheran's sprawling bazaar, which was packed with shoppers. I asked one merchant after another how U.S. sanctions affected them. The vast majority didn't know there were U.S. sanctions on Iran.

Others said they were adapting — the wedding-dress maker was getting material from Japan, the rug dealer was selling to Germany, the jeans maker was getting fabric through Turkey. The export-importer said credit was very tight, but there was nothing he couldn't buy from America through Dubai or European intermediaries. But gold dealers said business was slow because Iran's 50 percent inflation had eaten away incomes, so many newlyweds couldn't afford gold. Iran's economy grew at 1.5 percent last year. Not great, but not a disaster. "U.S. sanctions have had little effect, because the only countries supporting them are America and Israel," said A.N.S. Khamooshi, head of Iran's

What will bring change to Iran?

Chamber of Commerce. But the more important reason Iran's economic crunch hasn't become critical is O-I-L. Iran's Islamic Government still earns 80 percent of its foreign exchange from oil exports, which also account for almost 70 percent of Government revenues. Because Iran has no problem selling its 2.5 million barrels a day, the regime has a steady income, without having to radically restructure the economy and open up to the world the way the Soviet Union had to.

Sure, the camp of technocrat-pragmatists allied to President Hashemi Rafsanjani argue that Iran cannot live off its oil industry forever, especially since it now needs a huge amount of reinvestment to sustain its oil wells. But this group is opposed by a still-dominant majority, led by the nation's Spiritual Guide, Ali Khamenei, who argues that the Islamic Republic is growing fast enough and that growth of the economy is not the only priority, because with it comes a corrupting materialism, from the Disney Channel to McDonald's. Indeed, there is still a strong anti-growth movement among the mullahs. During recent parliamentary elections someone scrawled graffiti at a building site in plush north Teheran: "Enough Prosperity."

Still, with a soaring population of 65 million people, half of whom are under the age of 17, Iran will eventually have to overhaul its state-dominated economy, if it is to provide enough new jobs to absorb all its young people. That's when things will get interesting. Because to export oil requires no social change. To export computer chips or auto parts that are globally competitive requires a real restructuring of the Iranian economy, major foreign investment, an unleashing of the private sector and a real integration with the world.

So when will that crunch come? When Iran's steadily rising population runs into Iran's gradually declining oil reserves. That won't be next year, but it's coming. Only then will Iran have to face the reality that it can't export revolution and auto parts at the same time, because exporting evolution leads to isolation from the world and exporting auto parts demands the world. Only then will conditions be right for an Ayatollah Gorbachev to emerge — a cleric who will try to moderate Iran's Islamic system in order to preserve it.

And until then? An Iranian woman I know put it best: "Iran will never be a happy place as long as we have oil. It could be Japan if we didn't have

Decision Time in Bosnia

By Misha Glenn

BRIGHTON, England
The king has deployed all his horses and all his men throughout Bosnia and Herzegovina. The 55,000-strong, NATO-led military force will be joined this week by 1,200 election supervisors and 850 observers for the national election on Saturday. There are already countless nongovernmental organizations and freelance do-gooders also bracing themselves for the latest stage in the Byzantine task of putting Humpty-Dumpty together again.

If successful, the countrywide elections should form what Richard C. Holbrooke, the architect of the Dayton agreement, has called the "connective tissue" that will "glue" again bind Bosnia together.

Mr. Holbrooke is not the only one to have expressed high hopes for these elections. All the major European and American diplomats and politicians involved have insisted that despite criticism of the electoral process, the main vote must go ahead.

That criticism has been vigorous. Editorial writers have joined forces with such influential commentators as the financier and philanthropist George Soros and former Prime Minister Haris Silajdzic of Bosnia. All say roughly the same thing: that holding the elections will guarantee that Humpty remains dismembered and that the results of ethnic cleansing will be sanctioned by what is a bogus democratic gesture.

So who is right? The answer is neither, or, if you prefer it, both. Provided they do not collapse in

After the vote, how long should allied troops stay?

administrative chaos, the elections will have some positive impact. They will confer a degree of democratic legitimacy on representatives of all communities. At present, after four and a half years of bloody war, no Bosnian politicians can claim to enjoy a popular mandate. In addition, the elections will lead to the establishment of joint institutions in which all three communities are committed to participate. This is the good side.

The bad side is that the minimum conditions as set down by the Dayton agreement for the holding of free elections do not yet exist. The absence of freedom of movement both between and inside the two entities in Bosnia will discourage people from voting in places whence they were forcibly expelled. Not even the most passionate advocates of the elections consider them "free and fair." Or if they say they do, they are either lying or politically illiterate.

But in reality, the election is neither good nor bad but a large red herring, trussed up at considerable expense to look like the choicest Scottish smoked salmon.

As the thousands of electoral observers and journalists are descending on Bosnia and Herzegovina in droves, they are in danger of overlooking the most significant political event since the disintegration of Yugoslavia turned violent in June 1991.

Misha Glenn, author of "The Fall of Yugoslavia," is writing a history of Balkan nationalism.

This took place on Aug. 23, when Croatia and the rump Yugoslavia (Serbia and Montenegro) signed an agreement recognizing each other and establishing full diplomatic relations. This document lays to rest the central dispute that originally provoked violence in the former Yugoslavia. The wars in both Croatia and Bosnia were attempts by the Serbs and Croats to establish their new nation-states by force. The Bosnian Muslims were, to their great misfortune, squeezed in between the two dominant nations and, additionally, ill-served by their leaders.

The Aug. 23 treaty means that Croatia and Serbia are no longer locked in a territorial dispute. Moreover, in the Dayton agreement, the international community granted them a controlling interest over large areas of Bosnia and Herzegovina. Seen from this angle, Humpty's prospects for reconstruction are bleak. This has but one great advantage: The big war in Bosnia is over because neither the Serbs nor the Croats want it, and because the Bosnian Muslims cannot wage war to regain territory in the light of that Serbo-Croat consensus.

This does not necessarily mean that we have witnessed the last of armed conflict in Bosnia and Herzegovina. The map drawn up at Dayton, which split the country into two entities, includes several boundaries that remain hotly contentious and that could easily turn nasty. If they did, they would provoke vicious minor wars aimed at ironing out creases in the Dayton map and pressing the seams of territorial partition.

The alternative is to promote a process that is generally anathema to Western politicians — a gradual stabilization of the country that would encourage first commercial cooperation between the communities and then economic integration. This is a decidedly unglamorous solution for a problem that has generated such passion as has Bosnia. Worse still, it requires a long-term military commitment from NATO.

This is not a Cyprus solution, as some critics would say. The topography of Bosnia insures that the three communities are much more dependent on one another's good will if they are to survive economically than are the Greeks and Turks of Cyprus.

Carl Bildt, the official responsible for carrying out the Dayton accord on the ground, told me in an interview last week that in order for integration to stand a chance, the West would need a force, with American ground troops, "at least until September 1998," which is when Bosnia's second postwar elections are due. The military presence would, of course, be much reduced from the 55,000 currently engaged in Bosnia, but it would be a serious commitment nonetheless. This assessment is substantially greater than anything President Clinton has been prepared to consider until now.

But that is the choice facing the Western world. If a complete pullout takes place within, say, a year, then the fate of Bosnia will be partition.

The Bosnian Muslims will be in the weakest position, probably as an economic vassal of Croatia. Or the West can stay longer, diverting more financial and military resources to the region, offering a chance for some degree of integration. This is never likely to be complete, as the influence of both Serbia and Croatia will inevitably go beyond that normally associated with neighboring states.

But with support, Bosnia may develop a minimum number of institutions required to act as a coherent, internationally recognized state, enabling it to confront the more substantial question of reconciliation, which holds the final key to the country's long-term future.

If President Clinton and his European allies are committed to Bosnia, they are in for the long haul. Only then would the Bosnian vote make any sense at all. If, on the other hand, the West wants to pack its bags as soon as looks decent after the American Presidential elections in November, then the Bosnian election will be denounced by history as the most cynical manipulation of the democratic process by democratic countries. The tens of thousands of soldiers, civil servants and journalists, not to mention the billions in taxpayers' money, would be pawns in a chess game far more absurd than anything Lewis Carroll could ever have devised.

Liberties

MAUREEN DOWD

Literary Lion

WASHINGTON
One August night, I was having cocktails with a couple of Times reporters at the Jefferson Hotel. We were sulking about the tedium of the campaign. Little did we know, the biggest political story of the summer was unfolding right above our buttery Chardonnay.

There, in the seraglio marked 205, was an imbrogio. Dick Morris was pouring cognac for his mistresses and murmuring sweet nothings like, "Let me tell you about the Government shutdown," "I got my head torn off by Hillary when I tried to soften her image," and "Only you could keep me from the polls."

The headlines keep coming: "Advisor Had Secret Deal for Book" — The New York Times. "The Other Woman; Secret Love Child" — The New York Post. "Dick Morris May Testify on FBI Files" — The Washington Post.

Dick Morris has become to Bill Clinton what the picture of Dorian Gray was to Dorian Gray. All the transgressions we thought we would see in one, we see in the other.

By getting extravagantly rewarded for stripping authenticity from public life, and proving you can get further fixing an image than fixing on a principle, Dick Morris showed there is no floor to our shamelessness.

As one friend of mine put it: "You're driving home late at night after a few pops and you run over a nun. Whoopsie daisy, no problemo."

Doing something heinous used to get you into trouble. Now it gets you into a higher tax bracket. We're playing by Morris rules now. There is no honor, no reticence, no loyalty.

After he was pushed out, exposed as an adulterer who betrayed his wife and his boss with a prostitute, Mr. Morris was able to earn the breathless cover of Time magazine for the second straight week and renegotiate his book deal upward — to an astonishing \$2.5 million.

Among his other secrets was a five-month-old deal with Harry Evans at Random House. That means he was taking notes on the President's conversations and selling out his White House colleagues while he was still working with them.

Judith Regan, the New York publisher, said that Mr. Morris, looking for an even better deal, pitched his book to her last week as a flattering portrait of the Clinton Presidency. Isn't it a little late for that, now that the self-proclaimed genius and savior

has blabbed to a prostitute with a diary that he found Mr. Clinton to have no core or compassion?

The air rings with piety. "This is not a book about a call girl but the governance of America and the White House and other important subjects," Mr. Evans said.

Sure it is. Just as Random House's new O. J. Simpson book by New Yorker writer Jeffrey Toobin is about the waywardness of the legal system and the role of police in a decaying inner-city environment.

Harry Evans paid top dollar for the inside scoop of a self-destructive narcissist who filled up an insecure, insincere President with poll-driven ideas. We can only hope he takes a bath on the book.

Govern thyself, Mr. Morris.

Eileen McGann, valiantly transforming her private sorrow into public service, will help her husband edit his book on "governance."

Mr. Morris and Ms. McGann found a delicious match in Mr. Evans and his wife, Tina Brown, editor of The New Yorker. The couples sealed the book deal over lunch at the Evans-Brown East Side apartment. Ms. Brown bestowed literary legitimacy — or whatever literary legitimacy The New Yorker has left to bestow — on Mr. Morris by inviting him to be the honored guest, with Harvard professor Henry Louis Gates Jr., at a New Yorker breakfast for advertisers.






It breaks new ground in cultural synergy to have The New Yorker sell itself on the back of the Star. We may also soon be witnessing special hearings by the House of Representatives on the back of the Star.

Republicans, not above scouring the tabloids, declared that Mr. Morris should testify to explain the Sherry Rowlands diary entry quoting him as fingering Hillary Clinton as the one who asked for F.B.I. files of former Republican officials.

It isn't prurience that makes me linger over the Dick Morris scandal. I have a terrible sinking feeling that they tell us more about ourselves than the 15 percent tax cut or the 48-hour stay in the maternity ward ever will.

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	ANCIENT SEAL discovered at Megiddo, decorated with LION OF JUDAH, issued during 8th century B.C.E.		MATTITYAHU ANTIGONOUS coin, showing the MENORA for the first time in history. Dated 40 B.C.E.
	The earliest Hebrew coin struck in JUDEA, inscribed "YHD" in Aramaic. First half of the 4th century B.C.E.	<p>Each coin is mounted on a beautiful dark stained wood base, 10x10 cm. Each coin is signed, with Certificate of Origin attached. Total height approx. 30 mm., weight approx. 400 g. All pieces are delivered in a silver-colored gift box.</p> <p>Suggested retail price: NIS 269. JP introductory price: NIS 199, incl. door-to-door delivery, where available.</p> <p>THE POST MARKET The Jerusalem Post, POB 81, Jerusalem 91000. Tel. 02-241282, Fax 02-241212 Please send me:</p> <p><input type="checkbox"/> SHEKEL <input type="checkbox"/> DINAR <input type="checkbox"/> LION SEAL <input type="checkbox"/> MENORA <input type="checkbox"/> JUDEAN COIN</p> <p>Enclosed is my check payable to The Jerusalem Post for NIS 199 per item, or credit card details:</p> <p><input type="checkbox"/> Visa <input type="checkbox"/> Isracard <input type="checkbox"/> Dinars</p> <p>CC No. _____ Exp. _____ Name _____ Address _____ City _____ Code _____ Tel. (day) _____ ID No. _____ Signature _____</p>	

GIFT IDEA

PM suggests limiting powers of High Court Begin condemns proposal

EVELYN GORDON

PRIME Minister Binyamino Netanyahu's suggestion that the powers of the Supreme Court, when sitting as the High Court of Justice, be clearly defined and delimited by legislation aroused a storm of protest from across the political spectrum yesterday.

he said, the only way to interpret Netanyahu's suggestion is as an attempt to limit the court's powers. Coming against the background of the recent haredi attacks on the court, he added, "these remarks of the prime minister are damaging and irresponsible."



A resident of Kibbutz Kiryat Anavim shows President Ezer Weizman some of the damage caused by Friday's fire.

Report exonerates Fire Dep't

BILL HUTMAN

THE Fire Department was cleared of allegations it was incompetent in battling Friday's Jerusalem Corridor blaze in an internal review carried out by the Fire and Rescue Commission and accepted yesterday by Interior Minister Eli Suissa.

The JNF, however, claimed yesterday that its investigation showed the fire started when dry branches were set alight near the offices of the Abu Ghosh Local Council, and did not originate at the garbage dump.

Ghosh appears reasonable, in light of the number of firefighters on duty, and other activity that was going on at the time, the inquiry report stated.

Law professor calls PM's High Court remark a blunder

DAN IZENBERG

MANY people - not only among the right-wing or Orthodox communities - believe there is a need to reconsider Supreme Court-Knesset relations, according to Prof. Claude Klein, professor of law at the Hebrew University.

According to Klein, many people might think the remark was inspired by the High Court's rulings on Jerusalem's Rehov Bar-Ilan, since that is the issue which inspired the recent attacks on Supreme Court President Aharon Barak.

however, Klein believes that there is no way to preserve the rule of law while allowing courts representing the state to be outside the scrutiny of the High Court.

Mandela hopes to persuade South African Jews to return home

DAVID MAKOVSKY

DURING his planned visit here in November, President Nelson Mandela would like to meet with as many South African Jews as possible and encourage them to return and invest in the country, Maodela's aides told Israeli officials recently.

Winning cards In yesterday's Mifal Hapayis daily Chance draw, the winning cards were the 10 of spades, seven of hearts, 10 of diamonds, and nine of clubs.

Islamic unity rally low key and sparsely attended

DOUGLAS DAVIS LONDON

ISLAMIC extremists, whose supporters were almost outnumbered by British police, delivered a relatively mild message of Islamic unity at their "Rally for Revival" in London's Hyde Park yesterday.

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Address of the movement: 7 Kehillat Saloniki Tel Aviv 69513 Tel. 03-6484555 Fax. 03-6482217 The movement is mounting another campaign: "APPLE AND HONEY"

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AROUND THE WORLD Table with columns for location, low, high, C, F, and weather conditions.

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